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SERVICE SECTOR INDICATORS

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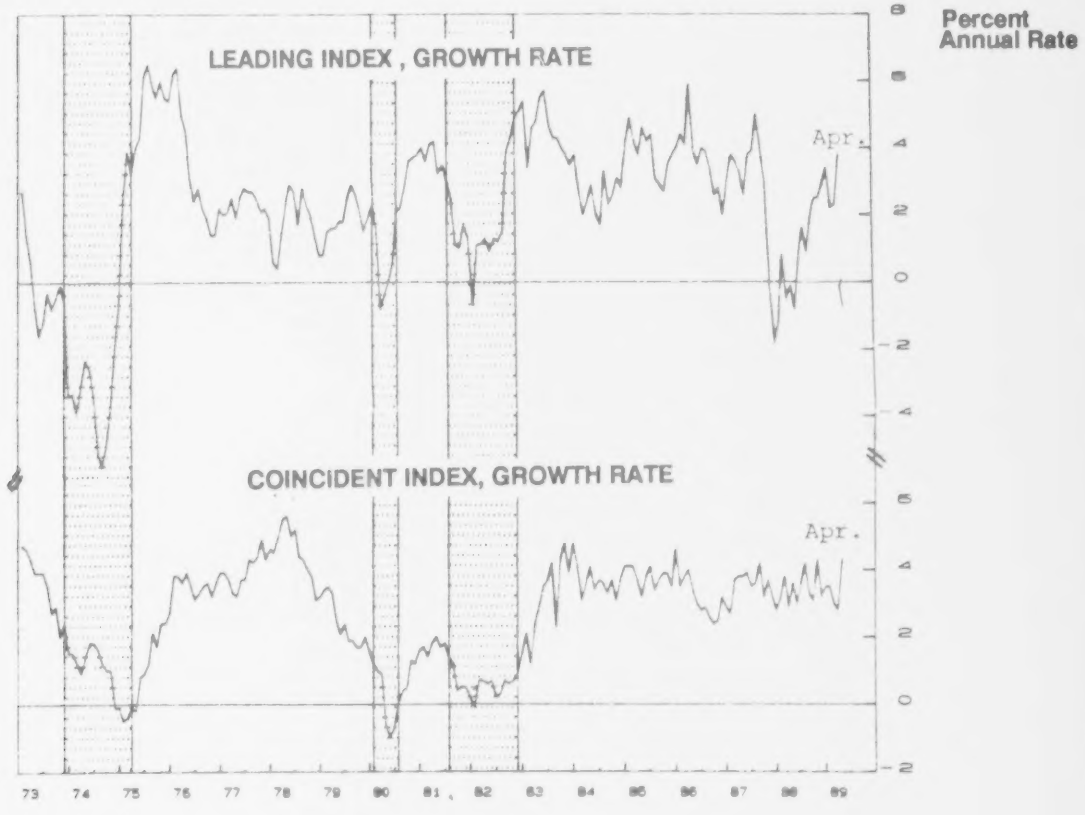
SERVICE SECTOR INDEXES BUOYANT

The leading index of service sector activity rose again in April, while its annualized growth rate climbed to 3.8%. It was pushed up by soaring stock prices and a rise in the average workweek in the service sector, undermined only a bit by drops in profit margins in services and in construction contracts for commercial buildings.

The coincident index of service sector activity rose as well, with growth at an annualized rate of 4.3% in April. This was a result of rises in labor income, employee hours, and personal consumption expenditures in the service sector.

The indicators therefore point towards sustained growth in the service sector in the coming months.



Shaded areas represent business cycle recessions.

LEADING INDEX OF SERVICES, AND COMPONENTS

	Leading Index (1967=100)	Leading Index Growth Rate (%)	Average Workweek, Services (hours)	Construction Contracts, Commercial Buildings (mil. sq. ft., ann. rate)	S&P Stock Price Index, Services, (Mar. 87=100)	Index of Profit Margins, Services (1982=100)
	1.	2.	3.	4.	5.	6.
1988:						
Jan.	147.9r	-1.2r	32.88	716	82.3	113.0r
Feb.	149.6r	0.8	32.94	948	86.0	113.6r
Mar.	148.7r	-0.5r	32.70	771	87.5	113.9r
Apr.	149.1r	-0.1r	33.01	718	85.3	112.2r
May	148.6r	-0.8	32.80	716	83.0	112.6r
June	149.8r	0.7	32.82	782	89.2	113.1r
July	150.6r	1.6	33.04	771	88.7	112.6r
Aug.	150.1r	0.9	32.72	820	87.9	113.5r
Sept.	150.8r	1.9	32.82	771	91.0	113.4r
Oct.	151.3r	2.5	33.01	663	94.3	112.2r
Nov.	151.4r	2.5r	32.81	763	91.7	113.7r
Dec.	151.9r	2.9	32.89	773	92.9	113.1r
1989:						
Jan.	152.7r	3.4r	33.01	795	95.2	112.7r
Feb.	152.2r	2.2	32.75r	695r	98.7	113.3r
Mar.	152.5r	2.3r	32.77r	710r	98.5	113.2r
Apr.	154.0	3.8	33.13	668	102.5	112.6

COINCIDENT INDEX OF SERVICES, AND COMPONENTS

	Coincident Index (1967=100)	Coincident Index Growth Rate (%)	Services Output, GNP (bil. 1982$, ann. rate)	Services, Personal Consumption Expenditures (bil. 1982$, ann. rate)	Services Labor Income (bil. 1982-84$ ann. rate)	Service Employee Hours (bil., ann. rate)
	7.	8.	9.	10.	11.	12.
1988:						
Jan.	179.5	3.2	1829.7	1260.7	658.5	106.6
Feb.	180.6	3.8	1833.4	1268.2	663.3	107.6
Mar.	180.2	2.9	1837.6	1269.0	659.5	107.0
Apr.	181.4	3.6	1841.9	1269.4	669.5	108.1
May	181.3	3.0	1846.1	1272.0	666.9	107.8
June	182.3r	3.6	1851.7	1283.1	668.9	108.5
July	183.4	4.2	1857.2	1285.9	675.1	109.7
Aug.	183.1	3.3	1862.8	1292.3	671.4	108.9
Sept.	183.4	3.1	1868.3	1288.5	673.8	109.2
Oct.	185.1	4.3	1873.7	1304.2	682.2	110.3
Nov.	184.6	3.2	1879.2	1300.0	676.9	110.0
Dec.	185.4	3.5	1881.3r	1302.6	682.8	110.8
1989:						
Jan.	186.0	3.5	1883.4r	1303.0r	686.4	111.5
Feb.	186.0r	3.0r	1885.5r	1313.7r	682.1r	111.2r
Mar.	186.3r	2.8r	---	1314.1r	683.3r	111.5r
Apr.	188.3	4.3	---	1319.0r	694.0	112.9

Note: Cols. 2 and 8. The growth rates are six-month smoothed percent changes at annual rate, based on the ratio of the current month's index to the average for the preceding twelve months.
Cols. 1, 2 and 6 are revised because of revisions in the experimental services output index.
r = revised.

Sources: 3. Bureau of Labor Statistics, Production and non-supervisory workers.
4. McGraw-Hill Company, F.W. Dodge Division. Seasonally adusted by CIBCR.
5. Standard & Poor's Corporation indexes for 13 service industries, compiled by CIBCR.
6. This series is constructed by CIBCR using the price deflator for services consumption, labor income, and an experimental monthly services output index developed by the Federal Reserve Board.
9, 10. Department of Commerce, Bureau of Economic Analysis. Quarterly data for output are interpolated by CIBCR.
11. Bureau of Labor Statistics. Payroll index, 1977 = 100, converted to 1982-84 dollars by CIBCR, using CPI, All Urban Consumers, seasonally adjusted.
12. Bureau of Labor Statistics, all employees.